



NEW ZEALAND COUNCIL OF TRADE UNIONS
Te Kauae Kaimahi

**Submission of the
New Zealand Council of Trade Unions
Te Kauae Kaimahi**

to the

Ministry of Education

on the

**Draft Tertiary Education Strategy:
2014-2019**

**P O Box 6645
Wellington
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1. Executive Summary

- 1.1. The tertiary education system plays an essential role in achieving a highly-skilled, trained, educated workforce enabling workers to have decent and well-paid employment and achieve their potential in a high-value and high-wage economy.
- 1.2. Tertiary education enables the quality of people's lives to be improved, increases equity and builds a strong society and democracy.
- 1.3. The dominant theme of the draft TES is the role of tertiary education in improving economic outcomes. The final TES must take a wider view of the role and purpose of tertiary education in society and reflect the value and contribution of tertiary education as a public good that benefits all of society.
- 1.4. We are concerned that employers' needs feature so strongly in the draft TES at the expense of the needs of learners, workers and other tertiary education stakeholders.
- 1.5. While skills development programmes provide excellent returns, tertiary education and skill development cannot just be limited to "delivering skills for industry". Skills development improves social and economic outcomes and is increasingly being recognised as having a role in reducing inequality.
- 1.6. The TES must ensure that industry is defined to include workers, unions, employers and industry organisations and also recognise the role of teaching institutions.
- 1.7. One of the key issues in the tertiary education sector now is a leadership strategy and structure to ensure long term planning.
- 1.8. We agree on the need for a focus on employment skills and improving the employability skills of the workforce.
- 1.9. The TES must identify how women workers will be able to develop skills and careers in the TES priority areas and also focus on developing the skills of women workers in low-paid areas.
- 1.10. The focus of the TES should not be limited to "at risk young people". The TES must ensure all young people develop their abilities and have opportunities to acquire

education, training and skills that will enable them to have access to good jobs, wages and realise their potential.

- 1.11. The CTU supports improving Māori and Pasifika rates of tertiary education participation as a key priority. This must be interconnected with other TES priorities.
- 1.12. The re-establishment of language and numeracy (LLN) as a TES priority is welcomed with LLN embedded in vocational and workplace learning programmes.
- 1.13. The CTU recommend that the Ministry of Education investigates the CTU Learning Representatives programme as a means to access LLN in the workplace and increase learning opportunities.
- 1.14. There are significant risks in the tertiary education system over depending on international students. Caution must be taken about reliance on international students as a source of income.
- 1.15. The TES should reflect more support for the role of community centred education and emphasis the importance of lifelong learning.

2. Introduction

- 2.1. This submission on the draft Tertiary Education Strategy is made on behalf of the 37 unions affiliated to the New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU). With over 330,000 members, the CTU is one of the largest democratic organisations in New Zealand.
- 2.2. The CTU acknowledges Te Tiriti o Waitangi as the founding document of Aotearoa New Zealand and formally acknowledges this through Te Rūnanga o Ngā Kaimahi Māori o Aotearoa (Te Rūnanga) the Māori arm of Te Kauae Kaimahi (CTU) which represents approximately 60,000 Māori workers.
- 2.3. The tertiary education system has an essential role in achieving a highly-skilled, trained, educated workforce enabling workers to have decent and well-paid employment in a high-value and high-wage economy. Tertiary education and skills development is of critical importance to the CTU.
- 2.4. Investment in tertiary education and skills development is essential for economic, educational and social reasons and has a beneficial impact on society overall. Tertiary education enables the quality of people's lives to be improved, increases equity and builds a strong society and democracy.
- 2.5. All of the CTU affiliates have a strong interest in tertiary education, training and skills development. Union members are also parents, family members and part of local communities, and as such, are concerned with educational opportunities and success for their families and whānau.
- 2.6. Tertiary education unions are affected as providers of tertiary education, as staff members at tertiary education institutions and as researchers. The CTU endorses the submission of the Tertiary Education Union on the draft TES.

3. The Draft Tertiary Education Strategy

- 3.1. The CTU welcome the opportunity to respond on the draft Tertiary Education Strategy (TES) which raises issues and questions on the overall direction in the TES: the selection of priorities; whether the scale of the response is adequate; how well the priorities are connected with each other; how the priorities will be implemented; the funding of the priorities; and are there priorities that are missing?

- 3.2. The six priorities in the draft TES: to deliver skills for industry, get at-risk young people into careers; boost the achievement of Māori and Pasifika; improve literacy, language and numeracy; strengthen research-based institutions and grow international connections are broadly supported by the CTU.
- 3.3. But we are dismayed about the lack of recognition or emphasis in the draft TES of the greater value of tertiary education to society. Disproportionate attention is given to the needs of employers by way of providing skills for industry (which is narrowly defined) and there is a lack of recognition of workers and learners' needs.
- 3.4. Tertiary education is much more than providing skilled workers to industry but this is the dominant theme in the draft TES strategy. Tertiary education has a critical role is establishing the foundations for a strong civil society. It is a public good that has benefits for everyone and leads to a fairer, better and more equitable society. The former Prime Minister, the Rt Hon Helen Clark articulated this in 2003 at the launch of the Tertiary Education Commission:

“Put simply, an educated, knowledgeable community is likely to be a more interesting, tolerant, and outward looking community. I stand strongly for the role of education in producing well rounded, highly literate, well informed New Zealanders, who are aware of the world around us, of history, of cultural heritage, and of the great ideas and philosophies which have driven humankind. Education can never be reduced to a mere economic input. It has the potential to transform the lives of individuals and whole communities. Its focus must be broad and empowering, not narrow and confining”.

- 3.5. The TES would be improved by taking a wider view of the role and purpose of tertiary education in society which also incorporates the aspiration of better lives and opportunities for workers to be in well-paid jobs and have career opportunities and progression.
- 3.6. Industries can be a platform for the high wage, high skill, and value-added economy. But there needs to be a broad definition of industry – not a narrow one which is about, in the main, responding to employer's needs. The final TES must ensure that industry is defined to include workers, unions, and industry organisations and increasingly the supply chain is also part of “industry”.
- 3.7. The role of other stakeholders is also important in this and yet the importance of their roles and those relationships are not reflected in the draft TES. For example the relationship between “industry” and local communities is very important in responding to local needs.

- 3.8. The CTU believes that one of the key issues in the tertiary education sector now is leadership to ensure strategic direction and long term planning. Much greater clarity is needed about who is responsible for leadership and what that leadership looks like. This is a critical tertiary education issue. The TEC has noted this:

“The reality is that producing a highly skilled employee, or incorporating new skills into existing qualifications and work-based training programmes, can take years. This means it is very important that there are mechanisms in place to get early warning of emerging skill shortages, to identify how they can be resolved, and to ensure the appropriate action is taken promptly by education and training providers, ITOs, employers, government agencies and other relevant stakeholders”.¹

- 3.9. Skills development is increasingly recognised as having an important role in reducing inequality. Paul Dalziel refers to our skills mismatch as contributing significantly to the country’s inequality crisis.²
- 3.10. The OECD states that rising inequality is largely driven by inequality in wages between high skilled and low skilled workers and that the most promising solution to rising inequality is investing in skills throughout the life cycle from early childhood, through compulsory education and throughout peoples working lives.³

4. Draft TES: Strategic Priorities

5. Priority 1: Delivering skills for industry

- 5.1. New Zealand’s low productivity levels reflect in part skills issues. Workplace productivity will grow in a labour market that is committed to education and skills development. The CTU strongly supports greater investment in skills-building as a major priority.
- 5.2. Skill development programmes in the workplace, particularly those that are linked to national qualifications, and industry standards provide an exceptional return to organisations.
- 5.3. But tertiary education and skill development cannot be limited to just be about “delivering skills for industry”. Tertiary education must be more widely focused on

¹ Quoted by Peter Conway (2013) at Industry training Federation 2013 Conference

² Dalziel, P. (2013) Education and Skills in Rashbrooke, M. (Ed) *Inequality, A New Zealand Crisis* (p 185) Bridget Williams Books, Wellington New Zealand

³ OECD, Better Skills, Better Jobs, Better Lives: A Strategic Approach to Skills Policies, OECD Publishing Paris, 2012, <http://skills.oecd.org/documents/OECDSkillsStrategyFINALENG.pdf>

the development of skills for workers. This perspective sees workers as part of industry. It also ensures that if job disappears or a worker change jobs or leaves the sector, then there is transferability of skills and adaptability across the workforce through the supply of a well skilled worked force. This will bring sustainability not only for the industry and workers who are the critical mainstay of industry.

- 5.4. Improving workers skills will also increase security of jobs. In the event of job losses or industry changes workers should not lose their incomes or their careers. We see the role of the TES as ensuring that the skills levels and knowledge of the current workforce is raised to meet labour demands as well as provide learning opportunities for New Zealanders of all backgrounds to gain knowledge, training, skills and knowledge.
- 5.5. Dalziel states that proper investment in skills is important for individual citizens and also for the economic wellbeing of the whole country”.⁴The OECD puts it this way:

*Skills have become the global currency of the 21st century. Without proper investment in skills people languish on the margins of society, technological progress does not translate into economic growth and countries cannot longer compete in an increasingly knowledge based society.*⁵

- 5.6. We agree that there needs to be a focus on employment skills - referred to in the document as “core personal skills” - that serve learners and workers well. Dalziel discusses that Australian policy advisors refer to these as employability skills which are the skills needed for effective participation in the workforce. These are categorised into three clusters: navigating the world of work; interacting with others and getting the work done; plus three enabling factors: workplace support, culture and values and external factors.
- 5.7. The TES must have a role in improving the employability skills of the workforce. This includes when jobs are lost, for whatever reason, that workers are not surplus to the industry or region and there are adequate opportunities to get training, retraining or support.

⁴ Dalziel, P. (2013) Education and Skills in Rashbrooke, M. (Ed) *Inequality, A New Zealand Crisis*, Bridget Williams Books, Wellington New Zealand

⁵ OECD, Better Skills, Better Jobs, Better Lives: A Strategic Approach to Skills Policies, OECD Publishing Paris, 2012, <http://skills.oecd.org/documents/OECDSkillsStrategyFINALENG.pdf>

- 5.8. Industry skills leadership is a vexed and unresolved issue. We have voiced the issue in many submissions and forums that there must be more integrated framework for leadership and greater cohesion around skills leadership and that the disjointed history of skills leadership should be replaced with leadership from a collaboration of government, the education sector, business and unions.
- 5.9. The Christchurch rebuild offers great opportunities for skills development. We have argued for some considerable time that the time gaps should be used to fill the skill gaps. This has happened but only to a minor extent. Given the known demand for skills broken down into specific occupations, there is a major opportunity for forms of pre-employment training to be offered and this could be a shared cost between the Government and major industry groups. Some of these opportunities lie outside Canterbury in the provision of prefabricated parts of buildings and houses.
- 5.10. Women workers' tertiary education needs are entirely un-recognised in the draft TES. Though women's tertiary education rates are higher than males, the priority areas in the draft TES identified as ICT, engineering and animal science are male-dominated occupational sectors.
- 5.11. There needs to both identification of how women will be able to develop skills and careers in the priority areas as well as a focus on the sectors where women are working and skills investment for women especially in low-paid sectors.
- 5.12. The Canterbury rebuild has been an opportunity to increase the skills of women going into building and construction sectors but there has been an underinvestment given the opportunity that was possible.
- 5.13. It is a great concern to us that at lower levels of the qualification framework the relationship between qualifications and wage levels is weak and for those that are on low wages, skill development is not being recognised in wage rates.

6. Priority 2: Getting at risk young people into a career

- 6.1. Our youth unemployment rate of 23.4 percent for young people between the ages of 15-19 remains staggeringly high. An unemployment rate of 12.8 percent for young people between the ages of 20-24 shows the impact on youth from the economic downturn. Disadvantage is heavily concentrated in Māori and Pasifika youth.

- 6.2. However, the TES in respect of young people cannot just limit its priority areas to “at risk young people”. This is far too narrow. The TES must ensure all young people develop their abilities and have opportunities to acquire skills that will enable them to have access to good jobs, wages and realise their potential. The outcomes for “at risk young people” will be enhanced by a response that responds to all young people – a universal approach.
- 6.3. The recent decrease in NEETs is welcome but comes about because of the high unemployment rates for young people. The proportion of youth studying has increased, with the proportion of 15-19 year olds in education increasing significantly over the past seven years. Young people are choosing to stay in education and study because of the lack of jobs.
- 6.4. The problem is urgent but the draft strategy proposes nothing new or specific to address one of our most urgent problems. Yet there are ideas and initiatives that could be built on. The Mayor’s Taskforce for Jobs has been effective in bringing together people, ideas and energy and collaboratively working on solutions. There are many community and civil society groups in cities and regions in New Zealand who can make a major contribution in addressing this problem and supporting new initiatives.
- 6.5. The TES must have an intensive and resourced focus on youth transitions and measures to enable young people to move successfully from school into work and into work and tertiary education.
- 6.6. The New Zealand Institute report found that young people are leaving school too early and not successfully transitioning into work⁶. The TES needs to take account of cultural backgrounds and ensure that skills and training for young people has context, relevance and meaning. The industries that young people work in must be an area of focus. Young people more likely to be working in the retail and food sectors which are characterised by insecure work, low pay and low levels of training.
- 6.7. The CTU commend the work undertaken to develop and implement the vocational pathway model and this provides a more coherent framework for foundation vocational education and training and enabling student to develop their own individual education and training plans and make more informed choices.

⁶ New Zealand Institute (2011) More Ladders, Fewer Snakes: Two proposals to address youth disadvantage.

- 6.8. High student fees and inadequate financial support systems are increasingly causing hardship and poverty among the student population. These barriers reduce young peoples' access into tertiary education and create inequality in who can and who cannot access tertiary education. These are both critical tertiary education issues.

7. Priority 3: Boosting achievement rates for Māori and Pasifika

- 7.1. The draft TES recognises that much greater progress is needed in improving Māori and Pasifika relates of tertiary education. This is an urgent task. The TES refers to the fact that in 2030, 30 percent of New Zealanders will be Māori or Pasifika. The tertiary education system has a critical role in responding now to these groups.
- 7.2. Improving outcomes for Māori and Pasifika learners should be recognised as two distinct priorities.
- 7.3. Lower tertiary education outcomes for Māori are embedding Māori inequality levels from lower wages and fewer opportunities.
- 7.4. Pasifika face the same barriers in achieving equitably in tertiary education and additional investment must be made to increase Pasifika tertiary education rates.

8. Priority 4: Improving adult literacy and numeracy

- 8.1. We are pleased to see literacy, language and numeracy (LLN) return as a TES priority. Though there have been considerable efforts to raise the LLN rates over the last several years, it remains the case that about 40 percent of New Zealanders have LLN skills below the level needed to understand difficult tasks and to participate in a knowledge economy and information society. When LLN skills are improved, learners gain confidence – at work, at home and in other parts of their lives.
- 8.2. The question then is how the levels of LLN are raised most effectively. We support the view that embedding LLN in vocational skills training will produce one of the most effectively outcomes. It brings multiple benefits: for workers, industries and for the economy and society.
- 8.3. For adult LLN to be successful it must be embedded in vocational education and aligned to the other priorities across the tertiary work and vocation sectors. This is

a gap in the strategy. The ability to absorb and understand new information is not a discrete skill, relevant only to one aspect of an adult's life.

- 8.4. The CTU recommend that the Ministry of Education investigates the CTU Learning Representatives programme as a means to improve learning and LLN in the workplace. The CTU Learning Representatives Programme trains workplace representatives to understand and break down the barriers to learning in the workplace and provide support to co-workers for completion of training and qualifications. This programme fits within a broad suite of LLN opportunities in workplace. We urge that this been part of the response in the TES to improving LLN rates.

9. *Priority 5: Strengthening research based institutions*

- 9.1. New Zealand's total R&D expenditure (1.27 percent of GDP in 2012) continues to be relatively low compared with the OECD average of 2.38 percent.
- 9.2. Government accounts for 41 percent of this expenditure with business at 40 percent and the higher education sector at 9 percent.
- 9.3. There is a basis therefore to strengthen research based institutions while recognising that our low level of R&D expenditure is primarily due to low business spending in this important area for economic development.

10. *Priority 6: Growing international linkages*

- 10.1. There is a risk in over dependence on international students and international students should not be used as the means for meeting the budget shortfall in tertiary education.
- 10.2. The draft TES conveys that the major purpose of building international relationships is to improve competitiveness and revenue. There are many reasons for strong international relationships and these maybe two. But the purpose of strong international linkages must not be reduced to seeing these linkages as a means to gather revenue.
- 10.3. Another factor to consider is that too significant an increase in the numbers of international students at an institution changes the culture of the institution and has broader impacts on the institution and on the teaching staff. This is a consideration

for tertiary institutions and pushing institutions into growing their international student base has risks that must be recognised and evaluated.

- 10.4. International linkages and an international component can make an important economic contribution and contribute to the diversity of the tertiary education environment but we are concerned that too great a focus on this will be at the expense of domestic student enrolments

11. What's missing?

- 11.1. The TES should ensure a strong role for community centred education and more emphasis on lifelong learning. The emphasis on the other priorities must not be at the expense of a focus on the overall goal of a focus on lifelong learning and its importance. We recommend that a commitment to lifelong learning is re-established in the TES and in all tertiary education policy.
- 11.2. The draft TES refers to community education providers delivering education but in the last five years the community education sector has suffered severe funding cuts. We urge the review of the funding of community education.
- 11.3. There must be stronger connections between tertiary education organisations and the communities they serve, and the value they have to offer, reflected in the TES.
- 11.4. The role of other tertiary education stakeholders must be better acknowledged. They have a vital role in providing opportunities and strengthening the role and the value of tertiary education.
- 11.5. We understand the draft strategy assumes that many parts of the tertiary education system will continue in "a business as usual approach" and that the priorities are intended to set new directions and imperatives. But there is a notable absence in the draft strategy of the role that higher education institutions have in delivering critical and analytical thinking and the importance of universities "critic and conscience role" in society.

12. CONCLUSION

- 12.1. Tertiary education has an essential role in building a stronger, fairer and more equitable society that enables people to have decent lives and ensure decent incomes, opportunity and career progression.

- 12.2. The draft TES is heavily focussed on the economic outcomes and economic imperatives in tertiary education. The role of tertiary education is much wider than this in that it provides the foundation for a strong functional and more equitable society and democracy.